

# **Essential Air Service Proposal**



**Jonesboro, AR**

**DOT-OST-1997-2935**

**August 30, 2021**



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## About Boutique Air

### Our Story

Headquartered in San Francisco, California, Boutique Air has been in operation since 2007. We began by flying fire surveillance missions for the U.S. Forestry Service and Bureau of Land Management. We evolved to provide air charter services across the west coast with our fleet of Pilatus and Beechcraft aircraft.

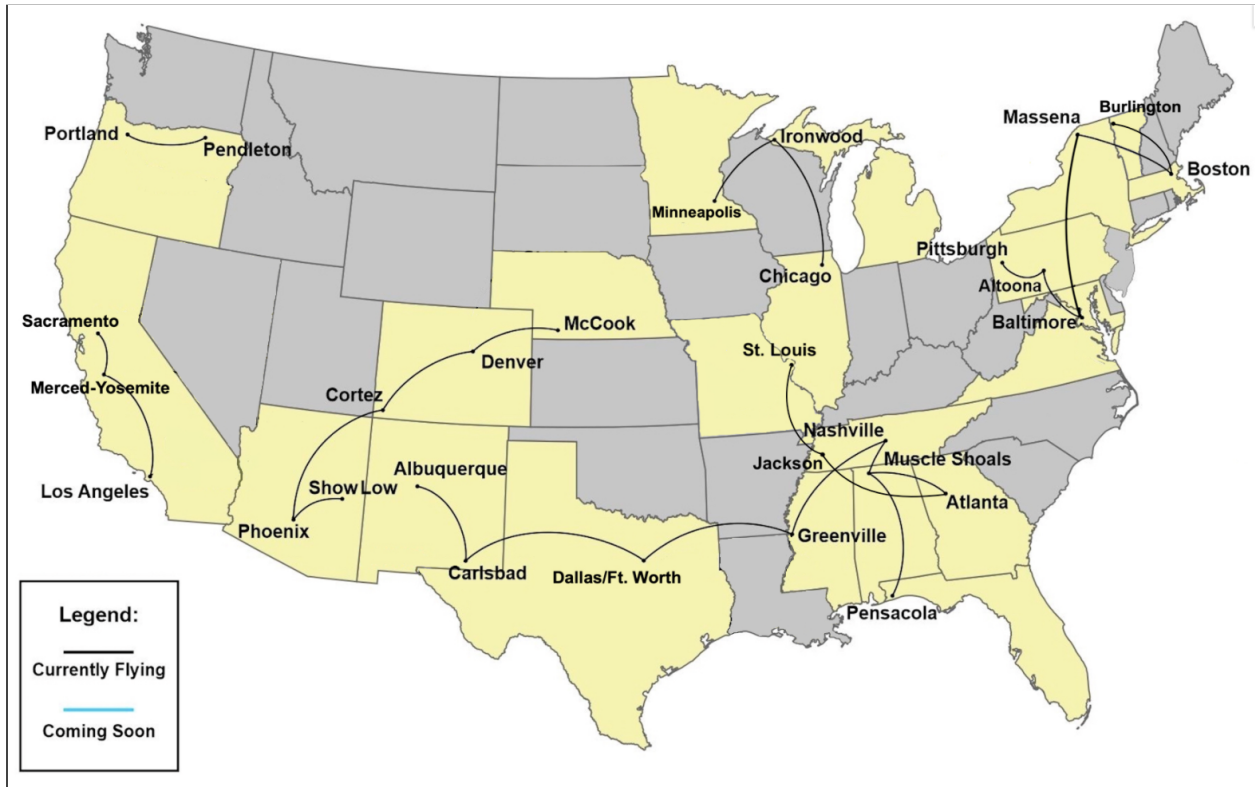
In July of 2012, Boutique Air applied for commuter operating authority from the Department of Transportation. Boutique Air began flying scheduled service between Los Angeles and Las Vegas in January of 2014.

We have worked to develop effective marketing distribution channels with a reservation system that connects to all primary Global Distribution Systems (GDSs), allowing travel agents access to our flight inventory. You will find us on Worldspan and Galileo (Travelport), Sabre, and Amadeus. In addition, we are on the major Online Travel Agencies (OTAs), including Expedia, Travelocity, Priceline, and Orbitz.

### EAS Contracts

On April 22, 2014 Boutique Air received its first EAS contract when the DOT selected the airline to provide service between Clovis, New Mexico and Dallas/Ft. Worth, Texas. Since then, we have continued our track record of success.

## Route Map



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## Aircraft:

Boutique Air currently operates a modern fleet of Pilatus PC-12 aircraft. All flights are flown by captains with over 1,200 hours of flight experience and at a minimum, commercial, and instrumental ratings. While we are certified to fly single pilot we opt to fly with a two pilot crew. Boutique Air ensures pilots provide a level of customer service beyond that of normal commercial airlines.

- 8 or 9 Passenger Executive Configuration Pressurized Cabin
- Power Outlets
- Enclosed Lavatory



# Proposal

## Overview

Our airline service will be operated with 8 or 9 modern Pilatus PC-12 aircraft. We have proposed two, three, or four year contract durations for the community to consider.

In order to increase brand recognition in the communities, Boutique Air will spend at least \$20,000 per year in each market if it is selected for advertising & marketing to help ensure that air service for the community is a success. We will utilize a combination of radio, print, billboard, TV, and internet advertising.





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## **Pilot Career Pathway Program**

In January 2020 Boutique Air was proud to be a partner in the United Airlines Aviate Program. The AVIATE Program provides a unique opportunity for aviators to accelerate their journey from Commercial Pilot at Boutique Air to a job in the cockpit of United Airlines.

## **United Airlines Interline and Codeshare Agreement**

Boutique Air launched an interline and codeshare agreement with United Airlines on May 1, 2017. Customers now have flow-through ticketing and baggage capabilities for those flights that connect with United Airlines.

## **American Airlines Interline Agreement**

In addition Boutique Air has an interline agreement with American Airlines as of August 7, 2019. Passengers will be able to book through United.com and AA.com and connect with any of United or American flights.

Below are screenshots of our current service as reflected on United and American Airlines websites both domestic and international.

## United.com example: Carlsbad, NM to Denver, CO

### Depart: Carlsbad, NM, US to Denver, CO, US

Fares are for the entire one-way trip, per person. Fare attributes may not apply for flights not operated by United or United Express®.

1 United flights may be listed first.

**EXCLUSIVE OFFER**

**\$250** statement credit  
**35,000** bonus miles

Learn more >

[Sort and filter](#)

Tue 9/7 <b>\$187</b>	Wed 9/8 <b>\$177</b>	Thu 9/9 <b>\$178</b>	<b>Fri 9/10 \$198</b>	Sat 9/11 <b>\$187</b>	Sun 9/12 <b>\$188</b>	Mon 9/13 <b>\$187</b>
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#### Flight Info

Depart on Sep 10, 2021

**Economy**

✓ Choose your seat

**Economy**  
(fully refundable)

✓ Choose your seat

**First**  
(2-cabin)

✓ Extra-spacious seat

<p>1 STOP</p> <p>3:10 PM 7:59 PM</p> <p>CNM ----- 4H, 49M ----- DEN</p> <p>ABQ — 2H, 15M</p> <p>Includes Travel Operated By Boutique Air</p> <p><a href="#">Details</a> <a href="#">Seats</a></p>	<p><b>\$198</b></p> <p>4 tickets left at this price</p>	<p><b>\$248</b></p> <p>4 tickets left at this price</p>	<p><b>\$288</b></p> <p>4 tickets left at this price</p> <p>Mixed cabin</p>
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## AA.com example: Jackson, TN to Chicago, IL

### Depart Jackson, TN to Chicago, IL

Tuesday, September 14, 2021

[Product comparison](#)

Lowest Fare Flexible

< Sun, Sep 12 \$187 Mon, Sep 13 \$145 Tue, Sep 14 \$145 Wed, Sep 15 \$149 Thu, Sep 16 \$159 >

Sort by: Total travel time

	<b>Main Cabin</b>	<b>First</b>
<p>MKL ORD</p> <p>10:10 AM → 2:30 PM 4h 20m <a href="#">1 stop</a></p> <p>MKL - STL - 4B 733 - PL2-Pilatus PC-12</p> <p>Operated by Boutique Air</p> <p>STL - ORD - AA 3186 - CR7-Canadair RJ 700</p> <p>Operated by Skywest Airlines As American Eagle</p> <p>⚠ The class of service you searched may not be available on one or more flights. Economy only on 1 or more flights</p> <p><a href="#">Details</a>   <a href="#">Seats</a></p>	<p>One way <b>\$145</b> 3 seats left</p>	<p>One way <b>\$381</b> 3 seats left</p>

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## Special Note: COVID-19 Pandemic

Like many businesses, Boutique Air was significantly affected by COVID-19 Pandemic; great fluctuations in travel demand and staffing were challenges in 2020 and 2021. We have made a variety of adjustments to our business so that we can be a great air service partner to Jonesboro in 2022.

## Community Input

Shortly after the bids are complete, Boutique Air will schedule meetings with airport and/or city officials. This will allow us to answer any questions and provide additional information.

While we can't promise we will be able to implement everyone's suggestions, we welcome feedback from the community, as well as anyone who may have an interest in the proposed flights. What we can promise is that we will listen to your feedback, and give it the attention and consideration it deserves.

With respect and appreciation,

Shawn Simpson  
CEO





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## Jonesboro, AR to St. Louis and Dallas

### Option 1: 18 Nonstop RTs (12 St Louis and 6 to Dallas)

Operations	<b><u>PC-12</u></b>
Scheduled Flights	1,872
Completed Flights (98%)	1,835
Scheduled Block Hours	2,208
Scheduled Seats	14,976
Scheduled ASMs	3,559,296
Revenue	
Passengers	11,981
Average Fare	\$69
Fare Revenue	\$826,675
<b>Total Revenue</b>	<b>\$826,675</b>
Expenses	
Fuel	\$594,429
Ownership	\$940,000
Maintenance	\$999,578
Crew	\$425,321
Airport Rent	\$167,250
Landing Fees	\$60,975
Staff	\$160,353
Insurance	\$20,000
Marketing	\$20,000
Other Indirect Costs	\$70,000
<b>Total Costs</b>	<b>\$3,457,906</b>
Profit Element	<b>\$172,895</b>
Margin	5.0%
<b>Total Annual Subsidy Year 1</b>	<b>\$2,804,126</b>
<b>Total Annual Subsidy Year 2</b>	<b>\$2,860,208</b>
<b>Total Annual Subsidy Year 3</b>	<b>\$2,917,412</b>
<b>Total Annual Subsidy Year 4</b>	<b>\$2,975,760</b>

